

# Maternity Bundled Payment Pilot Program

Presentation to the Medical Services Board

03/13/2020

# Today's Agenda

1. **Bundled Payments Background**
2. **Overview of the Pilot Program**
3. **Implementation Timeline**

# The Basics of Bundled Payments

## What is a bundled payment?

↳ A single, comprehensive budget to cover the complete set of services provided to a patient by multiple providers throughout a given episode of care.

## What is an episode of care?

↳ A set of services provided for a specific medical condition or illness during a defined time period.

## What if care costs are different than the budgeted amount?

↳ If care costs are lower than the budgeted amount, providers may share in the savings generated. If costs are greater than the budgeted amount, providers may incur a penalty.

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# Why Bundled Payments?

## Benefits

- Incentivize:
  - Care coordination
  - Patient-centered care
  - Provider accountability
- Utilize existing fee-for-service infrastructure (e.g., claims data)
- Payment tied to total cost of care for an episode
- Engage specialty care

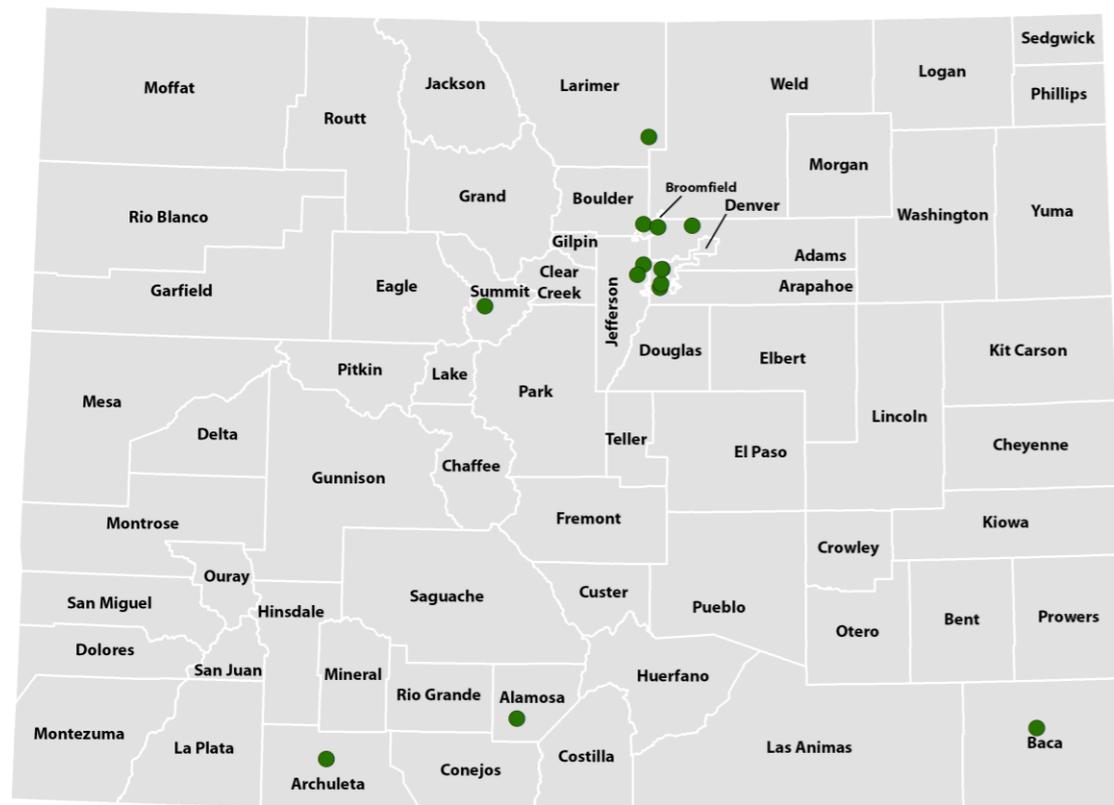
## Considerations

- Episodes of care must be clearly defined
- Risk adjustment for patients with complicated cases must be considered
- Quality metrics must be tied to payment

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# Who Is Using Bundled Payments?

**Nationally:** Medicare (35+ episode types), Medicaid (Arkansas, Tennessee, Ohio), private payers, and employer-sponsored health plans



**Colorado:** 29% of hospitals participate in a bundled payment model (Medicare and private payers)

Source: [American Hospital Association](#)

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# Why Focus on Maternity Care?



Health First Colorado covers **more than 40% of births** in the state.

Bundled payments for maternity care have been shown to **improve quality while effectively managing costs.**

Source: [Health Care Transformation Task Force](#)



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# Overview of the Pilot Program

**Voluntary Participation:** Limited to obstetrician groups that have a minimum delivery volume of 500 Medicaid-covered births per state fiscal year for the last two years.

**Prenatal, Delivery, and Postpartum Care:** The episode of care will be retrospectively calculated based on delivery (includes 40 weeks prior and 60 days after).

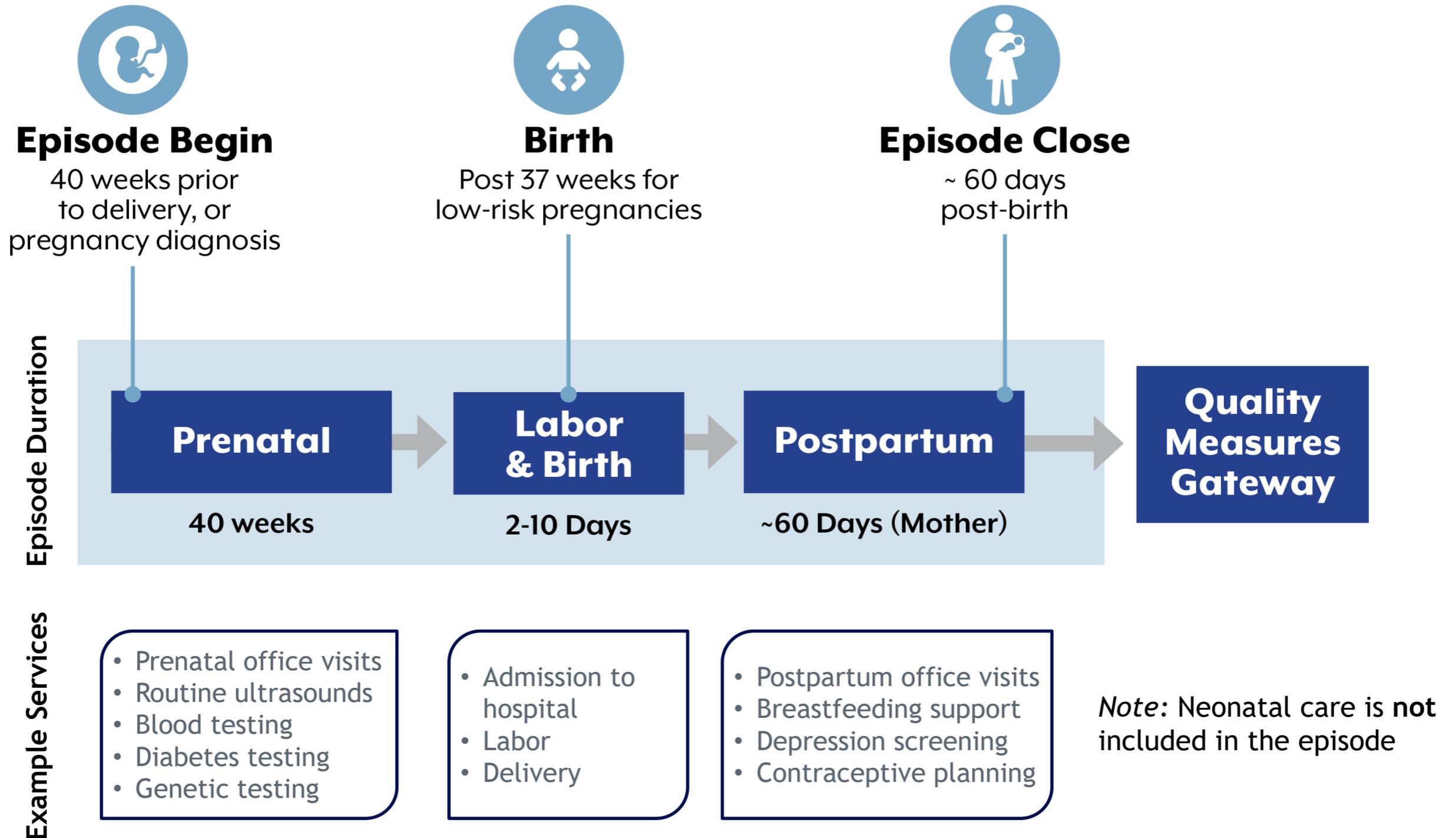
## Multi-Year Pilot

*Year One:* Upside Risk Only.

*Year Two:* Downside Risk Introduced.

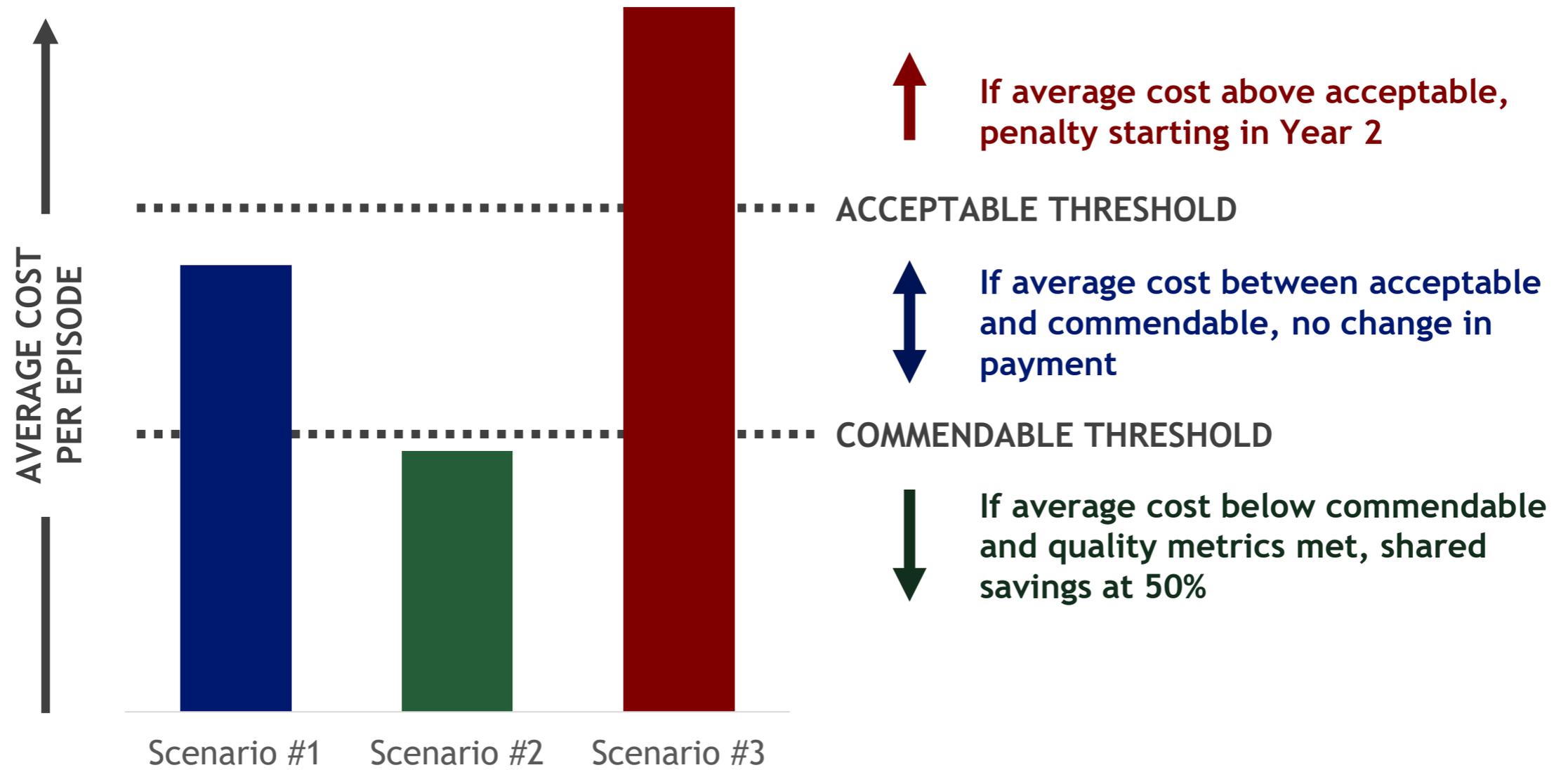
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# Colorado Bundle Design



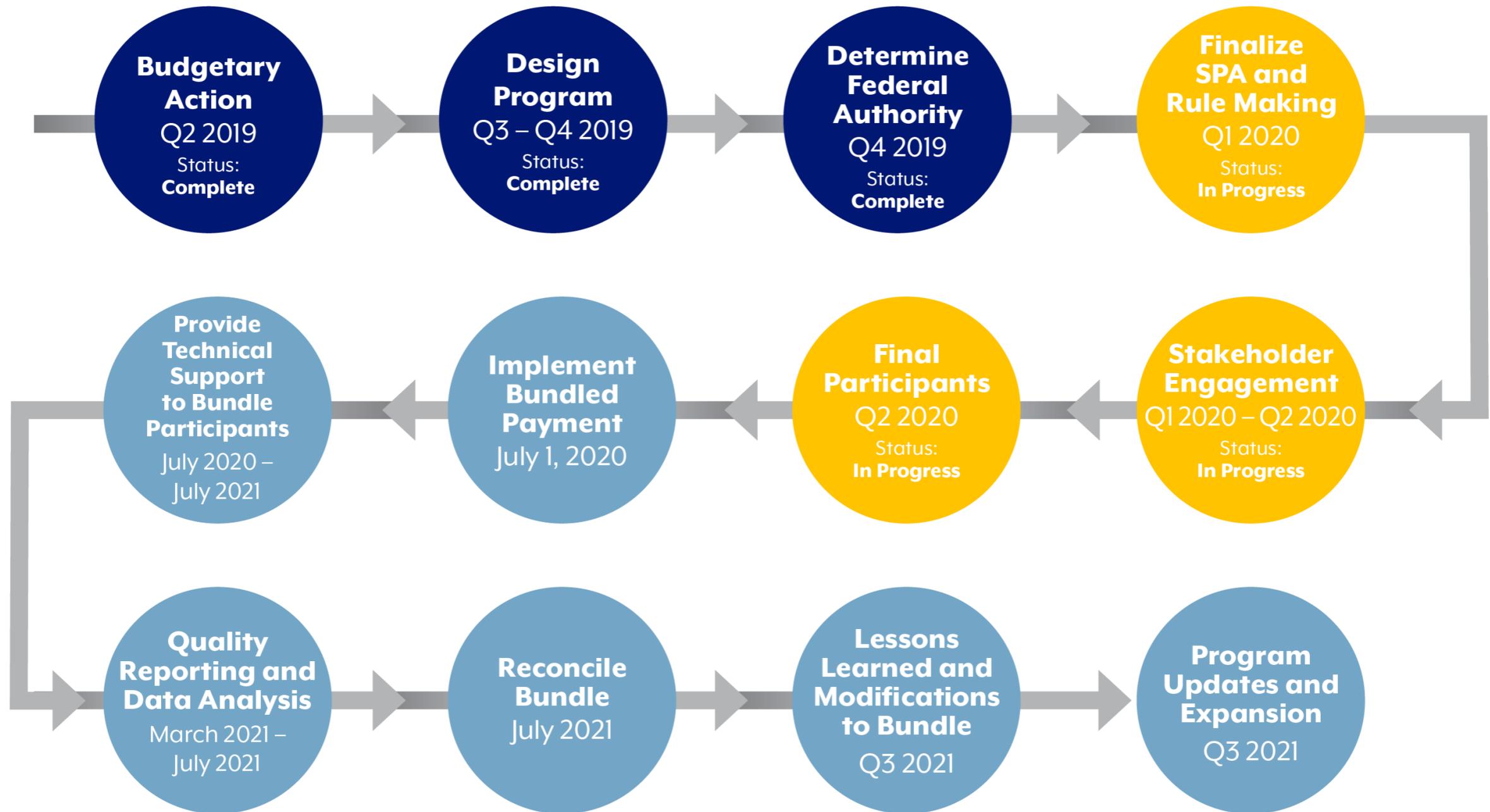
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# Incentive Payments



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# Implementation Roadmap (CY)

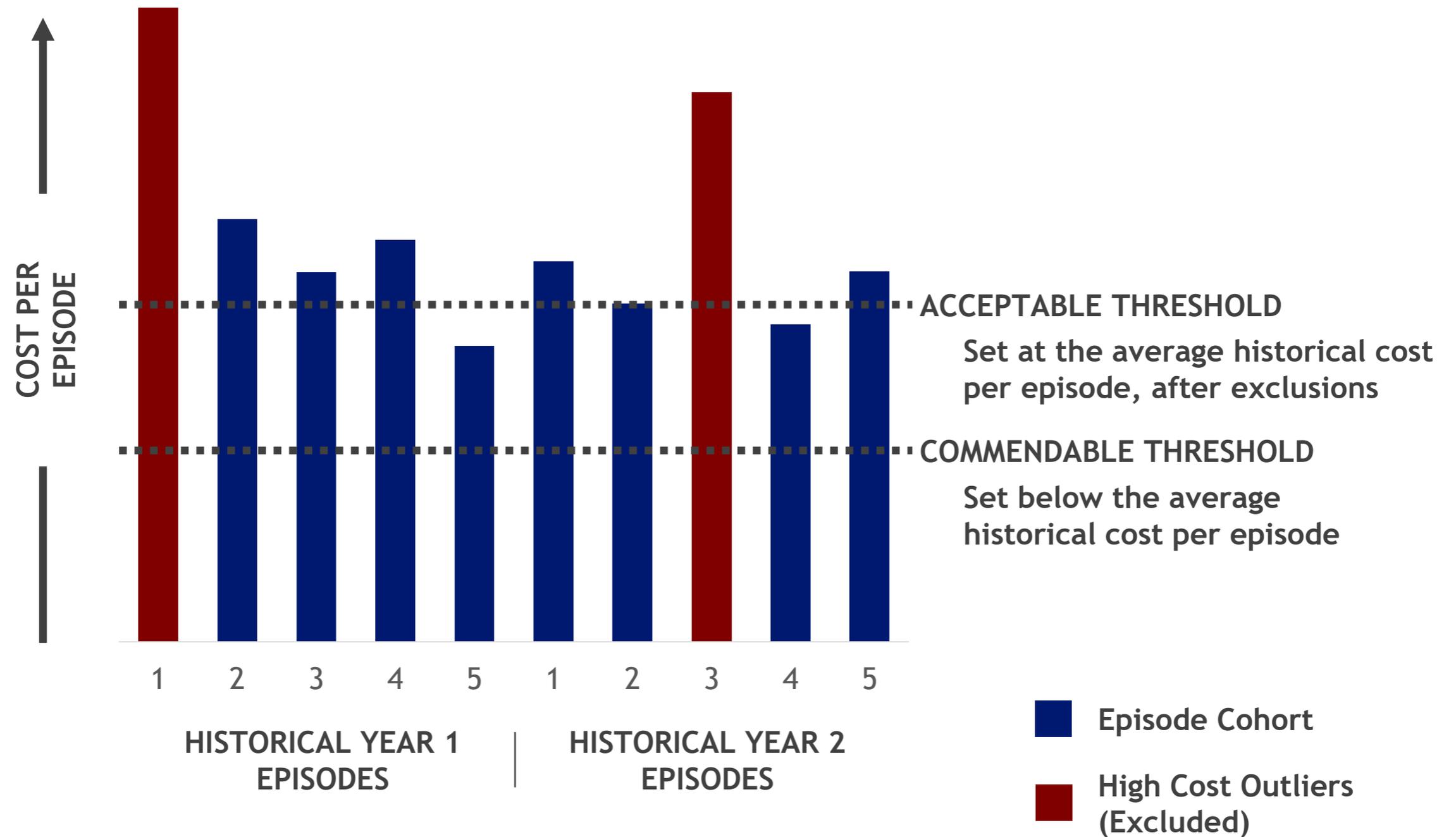


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# Thank you!

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# Provider Threshold Calculations



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# Focus on Substance Use Disorder

The Department will calculate **two sets of Thresholds** for each participating provider:

1. The first set will be calculated based on historical spending for episodes **which contain** a flag of substance use disorder.
2. The second set will be calculated based on historical spending for episodes **which do not contain** a flag of substance use disorder.

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# Which Cases Are Included?

All episodes ending within a performance period (state fiscal year) are identified for each **Principal Accountable Provider (PAP)**.

Total reimbursement for each episode is calculated based on related covered services delivered during the duration of each episode.

The Department is not excluding any high-risk episodes based on clinical criteria.

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# Which Cases Are Excluded?

## Business Exclusions

Dual Eligible

Third Party Liability On Claim

Principal Accountable Provider Provided No Prenatal Services

Patient Expired

Incomplete Episode Claims

No Professional Claim for Delivery

## Other Exclusions

High Cost Outliers

Costs Not Attributable to the Episode

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# Which Quality Measures Are Included?

Proposed Quality Measures
HIV Screenings
Group B Strep Screenings
Elective C-Sections
Behavioral Health Risk Assessment
Postpartum Depression Screenings
Gestational Diabetes Screenings
Contraception Care
Tdap Vaccines
Flu Vaccines

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